

WRITTEN OPENING STATEMENT

on behalf of

THE SCOTTISH GOVERNMENT

Introduction

1. Early in the pandemic, the Scottish Government realised that the harmful effects of the virus would not be limited to direct harm from infection, but would extend to indirect health harms, severe damage to livelihoods and disruption to education. What had begun as a health crisis also became an economic crisis. The Scottish Government understood that it had a duty to take all these different aspects of harm into account as it responded to the crisis. An approach of balancing different harms, often accepting trade-offs between them, would require a rational framework within which to take decisions. This led to the publication on 23 April 2020 of the Framework for Decision Making, which introduced the Four Harms approach that the Scottish Government thereafter followed. One of those four harms was economic harm.
2. The pandemic had a profound effect on the economy. Many impacts were caused, directly or indirectly, by Non-Pharmaceutical Interventions ('NPIs'). We think of NPIs as directed at matters of health. Yet they affected all aspects of life, including the economy. In large measure, the financial support provided by the Scottish Government was prompted by the introduction of NPIs. Certain NPIs, for example, the closure of businesses, produced effects that could be anticipated. Others produced economic effects that were less obvious, and are even today not so well known.
3. Throughout this Inquiry, evidence has shown that the effects of the pandemic were not felt equally. So it was with the effects produced by economic restrictions. Thus, while the Scottish Government introduced measures in order to address the impact of the various NPIs, it also provided support, to ensure that the measures were effective in achieving their desired aim. This included considering any additional impacts on the vulnerable in society, and those who suffered the effects of inequality.
4. It was clear that individuals and businesses would need significant economic support, and that this would require the UK Government to provide the Devolved Administrations ('DAs') with the necessary financial resources. The fiscal powers and levers available to the Scottish Government were insufficient to the scale of the challenge. While financial assistance was most certainly provided, the Scottish Government submits that there is a need for the arrangements that govern financial support to the DAs, in an emergency situation, to be improved. There were several occasions during the pandemic when the existing arrangements hampered the Scottish Government's ability to mount the public health response that it considered to be appropriate for Scotland. For example, there were times when, from a clinical perspective, the coverage and transmission of the pandemic presented differently in Scotland. This inevitably meant a difference, between the UK and the Scottish Governments, in the assessment of where and when to deploy

NPIs and the financial support necessary to encourage compliance. Further, NPIs and the economic response to them had to be tailored to reflect the Scottish economy's distinct features and the nature of the businesses within it.

5. In this Opening Statement, we examine some of the ways in which the Scottish Government sought to alleviate economic hardship. We look at some of the issues that arose in the course of that response, and how they were dealt with. And we consider some improvements that could be made to a future emergency economic response, that would allow the Scottish Government to make full use of its devolved powers, and thereby respond in an optimal manner.

The Initial Economic Response to the Pandemic

6. The response to the pandemic involved economic restrictions, in that a great number of businesses were required to cease their operations. In step with these, the Scottish Government provided financial support for businesses and individuals who were affected by these measures. The Scottish Government provided financial support in response to the NPIs which, for example, stopped people going to work or opening their businesses. So, of course, did the UK Government, which, at or around the onset of the pandemic introduced the Coronavirus Job Retention Scheme ('CJRS' or 'furlough'), the Covid-19 Business Interruption Loan Scheme, and the Self-Employment Income Support Scheme ('SEISS'). Scottish Ministers had no policy control over these UK-wide schemes, but they provided a substantial foundation of support for businesses in Scotland.
7. The Inquiry may well decide to interrogate the degree to which Scottish Ministers could vary the effect of these schemes, in so far as they affected Scotland. There was no opportunity for Scottish Ministers to adapt or modify the CJRS, which was administrated through HMRC's existing arrangements for income tax. However, Scottish Government was able to implement bespoke funding to augment UK Government support that was more reflective of the differing rate of infection in Scotland, the distinct features of the Scottish economy and the nature of the businesses that comprise it. The Scottish Government provided over £4.7bn in support for businesses in Scotland. This was not intended to, and could not, fully compensate businesses for the losses they faced. It was a contribution towards the costs that businesses might incur to comply with restrictions and to ensure that when restrictions were lifted it would be viable for them to return to operation.
8. Financial support was required as a result of, and provided in response to, NPIs needed to control the spread of the virus. The order of decision-making was that NPIs were put in place as a result of epidemiological requirement, and any financial support was put in place as a result of the NPIs.
9. The non-domestic rates ('NDR') system formed the initial basis of business support, as the non-domestic property valuation roll contains all the rated non-domestic properties in Scotland, their rateable values and averred use. This information, held by local authorities, was considered to be the only way to deliver business support, at scale and speed, at the onset of the pandemic. Initial support was delivered via local authorities in the form of, *inter alia*, the Small Business Grant Fund

(‘SBG Fund’); Retail, Hospitality and Leisure Grant Fund (‘RHLG Fund’); and NDR relief (‘NDR Relief’). Funding was targeted towards the specific sectors and businesses most impacted by NPIs.

Economic Decision Making Systems and Structures

10. It is important to highlight that, in terms of its internal structure, the Scottish Government’s economic activities are not overseen by the Director General with responsibility and oversight for fiscal strategy and management. During the pandemic, the economic response was led by DG Economy, and fiscal strategy by DG Scottish Exchequer. The two areas worked closely together. DG Economy made policy recommendations about the delivery and administration of support schemes and other economic interventions. That economic policy advice was ultimately put to Ministers to make final decisions on interventions. As part of this, Ministers also had to consider advice from DG Scottish Exchequer on the extent and means the Scottish Government had to fund economic measures.
11. The funding position was made more challenging during the pandemic as a result of the unaltered reliance on the existing funding mechanisms in place with the UK Government. These were neither designed, nor adequate, for responding to the pace and scale of the spending requirements necessitated by the pandemic. The parameters of the funding relationship are set out in the Statement of Funding Policy and Fiscal Framework. The way in which these operate are explained more fully in Alyson Stafford’s Module 9 corporate and personal statements.
12. The normal funding mechanisms, borrowing arrangements, and fiscal relationship between the Scottish and UK Governments, continue to apply in the event of a civil emergency. This means that the Scottish Government is prevented from borrowing in order to support additional spending that Ministers might feel is required in order to respond to an emergency situation. The financial resource available to the Scottish Government to make policy decisions, including on economic interventions, was therefore directly dependent on UK Government policy decisions on spending.
13. If the Scottish Government were to make decisions on additional in-year expenditure on areas of devolved competence, where the UK Government had not agreed to provide additional funding, that had to be paid for by reductions elsewhere in the Scottish Budget. In ordinary times, the Scottish Government can and does make different allocative choices in respect of its budget. This is managed within the overall Budget envelope. Advice on policy ‘trade-offs’ to support a balanced budget would be supported by recommendations from the Scottish Exchequer, alongside advice from the affected portfolios about how any changes to budget might affect delivery of key policies.
14. In relation to the pandemic, additional spending could not be managed within the overall envelope given the scale of the response needed. Policy decisions regarding NPIs had to take account of the levels of infection and transmission rate of the virus. That was the primary guiding metric in the initial period. When measures were taken that would affect the economy, the Scottish Government sought to make corresponding support available. The Scottish Government’s ability to deploy support was constrained by its inability to predict the level of funding that would be made available from the UK Government, as we expand on further below.

15. One of the key challenges of the pandemic was getting timely data with which to monitor the impact of (i) the pandemic itself and (ii) the NPIs that required to be put in place. The 'State of the Economy' publication of 20 April 2020 outlined the considerable progress made on this issue by the Scottish Government's Office of the Chief Economic Adviser ('OCEA'), some of which was in conjunction with the Office for National Statistics ('ONS') and the other DAs.
16. It is accepted that there were difficulties at times in identifying the businesses that required support. For businesses that did not have premises on which NDR were applicable, the Scottish Government developed a range of specific, targeted funds aimed at those sectors that could not access the main grant schemes. For example, a grant was introduced for taxi and private hire operators which required checks to be undertaken on licence administrative data held by local authorities. Additional controls were put in place to alleviate the risk of fraud. The Scottish Government utilised other Official Statistics sources, such as the Inter Departmental Business Register and the Annual Population Survey, to estimate the sector sizes for businesses for which NDR data was not suitable.
17. The Scottish Government commissioned data, via a Convention of Scottish Local Authorities ('COSLA') working group, from local authorities on the number of businesses in their area that were likely to be eligible for individual funds, to help model the amount of funding that it would be necessary to commit to individual schemes, and how the funding should be split across local authorities for each scheme. The Scottish Government considers that their working relationship with COSLA regarding the economic response was strong and effective throughout the pandemic.
18. This working group's purpose was to engage local authorities in the design and development of these funds to identify the most effective way of delivering financial support to businesses, while seeking to ascertain and address any operational challenges. The frequency of these meetings was scaled up or down depending on the number and complexity of the funds under development, but the group met at least once a week between October 2020 and June 2021.
19. There was some engagement with HM Treasury ('HMT') on UK-wide decisions about UK support like CJRS, but typically, this was to allow UK Government officials to provide information about imminent changes to the support available. Engagement did not extend to any real influence over timings or levels of support available or eligibility criteria that would apply.
20. The Chief Economist published, in April 2020, estimates of the potential impact of Covid-19 on the economy. These early estimates, which were quite accurate compared with outturn, suggested GDP would reduce by 33% and, in the absence of support, unemployment would rise to 14% over the first 'lockdown' period. The OCEA 'State of the Economy' report noted that the performance of the Scottish and UK economies at the end of 2019 into 2020 continued to be influenced by a range of global headwinds alongside EU-exit associated uncertainty, impacting on trade and business investment and the shape and pattern of growth. This report concluded that the economic impacts of Covid-19 were unprecedented in scale, but so was the nature of this crisis and the policy response; it was a health crisis that had become an economic crisis.

21. Scottish Government made considerable use of analysis and expertise in relation to the pandemic, with the Chief Economist presenting analysis at weekly meetings chaired by the First Minister and attending weekly UK-wide Ministerial Economy Ministers' meetings. These UK-wide meetings considered the economic framework and future economy, taking into account the pandemic and focused on the economic support which was structured and phased through "4 Rs" - Response, Reset, Re-start and Recovery. From the outset, working relationships were strong and collaborative between officials and Ministers across the Four Nations. This included the open sharing of analysis and working together to develop more timely statistics.
22. It was not possible to estimate the impact of Long Covid due to lack of data. However, economic modelling suggested that productive capacity would continue to be lost as restrictions in economic activity continued, lengthening the recovery period. This was mirrored in the labour market, with a significant rise in unemployment and the scarring effects that has on individuals and communities.

Monetary Policy and the Bank of England

23. The Bank of England ('BoE') collects intelligence on the economic conditions across the UK and reports quarterly on the summary of business conditions in Scotland. The BoE holds discussions in Scotland on its publications, including its Monetary Policy Report publications, and the Chief Economist's staff attend. The nature of this relationship is principally analytical, informing the Scottish Government's understanding of BoE decisions and understanding of the UK economy. The Scottish Government has no influence over BoE decisions on monetary policy, nor the interventions or policy responses available to it. The Scottish Government is not well placed to comment on the relationship between the BoE and HMT during the pandemic.

Funding for the DAs, Local Government and Other Relevant Public Services

24. Under the 2016 Scottish Fiscal Framework, the Scottish Government could carry forward up to £700m in aggregate funding deposited in the Reserve. However, the maximum withdrawal in any one year from the Reserve was £250m of resource budget and £100m of capital budget. The existing flexibilities available under the Fiscal Framework are limited, with no further ability to borrow to support additional spending even in the case of crisis or immediate challenge. Financial resources to respond to an emergency event are only received when the UK Government provides specific funds to the Scottish Government, or increases spending on comparable devolved areas.
25. Early in the pandemic, the Scottish Government asked for greater flexibility to enable capital-to-resource switching, to allow it to carry over reserves, to borrow against resource and to unwind any negative consequential and tax and social security reconciliations. The eventual response to that request was the Barnett Guarantee, which was announced in July 2020 and intended to cover one financial year. The intent behind this 'ask' for additional flexibilities was to allow greater autonomy and control over spending decisions on a timely basis. This flexibility was limited, owing to the need to deliver a balanced budget annually which necessitated certainty on consequential funding. Going into the pandemic, the Scottish Government was in a more 'reactive space' than it would have liked.

26. The iterative nature of the Barnett consequential allocations to the Scottish Government, and the uncertainty regarding the amount of actual funding available with which to support businesses, presented ongoing challenges in establishing a coherent strategy for allocating financial support to Scottish businesses impacted by the pandemic. The Scottish Government was unable to be proactive, and had to take a piecemeal approach to the provision of funding schemes throughout the duration of the pandemic, as schemes could only be introduced once the funding was confirmed. As a result, tight parameters had to be drawn around the availability of funding targeting those businesses that were deemed to be most in need of support at that time. This reflected in the sector specific nature of the Scottish Government's approach. As discussed below, further schemes reaching additional sectors were implemented as and when money became available.
27. Uncertainty on the level of funding available to support economic interventions remained even after the introduction of the Barnett Guarantee. Whilst the announcement of the Barnett Guarantee provided a welcome upfront commitment that the Scottish Government would receive a minimum level of funds as a result of UK decisions, in practice questions around timings of announcements and ongoing revisions to the level of guaranteed funding resulted in significant ongoing uncertainty and an 'opportunity cost'. The lack of alternative sources of budget flexibility available, beyond some modest shifting between Scottish portfolio spending lines, entailed dependency on guaranteed UK funding in order to support interventions. With more certainty around funding timing and amount, the Scottish Government would have had greater flexibility to respond more effectively to emerging local priorities and could potentially have taken decisions to apply support earlier. The Barnett Guarantee did provide some additional advance certainty on funding that was likely to be available over the course of 2020-21, but changes to the level of funding guaranteed did not keep pace with actual commitments made in England, and there was significant late volatility in funding received.
28. The Barnett Guarantee did not continue beyond the end of that financial year (31 March 2021). This put the Scottish Government in the position from this point forward of not being able to deploy additional resources until after UK Government funding decisions had been made.
29. The lag in confirmation impacted the planning for, and the ultimate scope and scale of, what could be delivered in Scotland against the equivalent range of interventions in England. The announcement of funding additions was not always aligned to either the rate of spread of the pandemic, or the dynamic nature of the response, in Scotland or across the Four Nations.
30. There were some economic interventions where funding for UK-wide measures were provided directly by the UK Government and generated no consequential funding to the DAs. This included the CJRS and SEISS. It made operational sense for this to be implemented through reliance on the UK-wide income tax system, but the timings of when it was available and when it ceased to be available were entirely within the control of the UK Government. There were times where the coverage and transmission of the pandemic was presenting differently from a clinical perspective in Scotland, which meant there was a difference between the UK and Scottish Governments in the assessment of need of where and when to deploy compensation to support NPIs.

31. There were points where the Scottish Government would potentially have taken additional steps in response to the pandemic, but was constrained either by lack of (1) funding, (2) knowledge of if and when funding might be forthcoming or (3) engagement by the UK Government on funding in devolved areas of policy or for UK-wide unilateral measures. An example is when the Omicron variant affected Scotland before becoming widespread elsewhere. The First Minister wrote, in December 2021, to the Prime Minister requesting that the CJRS was re-established, or that mechanisms be put in place whereby the DAs had the ability to trigger comparable schemes within their nations. This request was refused. There was further confusion in December 2021, when the UK Government announced additional business support, some of which was UK-wide and some of which was England only. It was not clear whether the additional £80m announced for the Scottish Government was part of, or in addition to, the £860m announced the previous week. It was not clear to Scottish Government whether financial support offered to businesses in Scotland needed to be funded from the (confirmed) Scottish budget or whether additional money would be available.
32. The Scottish Government made a commitment that any consequentials related to support for businesses in England would be passed on in full to businesses in Scotland. In practice, the support available to businesses in Scotland exceeded the related consequentials by £0.5bn. This reflected the Scottish economy's distinct features, the virus' spread, and the need for different restrictions.
33. Another aspect of the Fiscal Framework Agreement is the co-dependency on UK fiscal events, the work of the Office of Budget Responsibility ('OBR') at those events and the forecasts generated by the Scottish Fiscal Commission on the back of updated UK and Scottish data sources. The Fiscal Framework requires that the UK Budget takes place, and data prepared from the OBR is available in order for a Scottish Budget to be set. The delay in the UK Budget meant that the 2021-2022 Scottish Budget took place late. This entailed significant planning challenges for health boards, local authorities, the third sector and contracting agencies.
34. Consideration ought to be given to a recommendation to review the Fiscal Frameworks to include adjustments to cater for pandemic crisis to facilitate mutual rapid responses and financial risk management. The ability to respond at pace to a crisis situation would be best served by having prior agreement with the UK Government about how the Fiscal Framework provisions can be best adapted to respond in an emergency as well as having an upfront agreed approach and consultation on how UK-wide measures could be best suited to all Four Nations. In addition, having a system in which the UK Government accepted the financial risk of differentiated decision making to support the timeliness of sub-national levels of response to a pandemic under the existing frameworks in pre-defined emergency situations, would greatly support Scottish decision-making. 'Differentiated' or 'asymmetric' decision making of this nature between the UK Government and DAs carries an inherent risk that expenditure may not fully align with the Barnett Formula at a point in time, although it may when considered over a longer period. Having an arrangement whereby that is accepted would be beneficial to support timely locally relevant responses at critical times.

35. The Scottish Government has considered the expert report of David Phillips for this module, in particular his recommendations at §180-181. The Scottish Government endorses the recommendation at §180.1 and would be interested to explore the model proposed at §180.3 to allow for asymmetric funding options for emergencies, although likely not at the expense of the option to borrow more at DA level. The recommendation at §180.4 is broadly in line with the Scottish Government's position at §34 below. The Scottish Government is supportive, as consistent with its policy position, of the recommendations at §180.10, §181.1 and §181.3.
36. Data Analysis – Information, data and economic analysis was shared between the Scottish Government and UK Government at official and Ministerial level. In general there was good engagement with HMT and other UK departments on the early thinking and potential economic response. This was a transparent and an open space in which officials shared intelligence. The approach taken by HMT during the pandemic included the creation of new groups like the Economic and Business Response Implementation Group ('EBRIG') which had an explicit remit about sharing information. This group had not previously existed and was valuable in providing a forum for structures and regular engagement on the response to Covid-19. The pace of response meant sharing of information and analysis between governments was stronger at the outset and the forums allowed discussion of issues relevant to different administrations. This discussion was mostly about economic conditions and scale of potential response and was done at ministerial and official level. This was broadly sufficient but detailed policy formulation for UK-wide interventions such as CJRS or 'Eat Out to Help Out' were not typically informed by, or part of, these discussions.
37. Overall, data availability was good and enhanced greatly by the new data that was developed. However, a key gap was not having complete data on individual businesses, including the self-employed. This information was held by HMRC and not available to the Scottish Government at an individual business level. A future need was identified for the sharing of data from HMRC and DWP with the Scottish Government. This is considered critical to delivering more analysis and improved efficiency to functions across Scotland. The process of data sharing needs to be more straightforward, with the pandemic shedding light on the current cultural, technical and legislative barriers that exist. There should be increased cognisance of the benefits of data sharing, evaluating the associated risks to ensure that concerns about data quality do not become a barrier to sharing. There should also be a route for arbitration. The Scottish Government has appointed a Data Liaison Officer to liaise with the Cabinet Office and other DAs to establish ways of working during crises. Further, a Memorandum of Understanding was signed in July 2025 which outlines mechanisms to enable rapid sharing of data and analysis between UK Government and Scottish Government.
38. Funding for Local Government – Scotland is divided into 32 unitary local authorities of varying sizes. Each is responsible for the local provision of a range of public services. The aggregate funding available to local government is distributed on the basis of a needs-based distribution formula agreed with COSLA. Where additional financial support is made available (emergency or otherwise), it is administered through the formal financial governance process including the joint

Scottish Government and COSLA Settlement and Distribution Group. Engagement during the pandemic built on existing networks and established channels of communication.

39. Local government played a vital role in the administration of NDR Relief and distribution of grants and funds in Scotland during the pandemic. This was enabled through local government's long-established role in administering NDR and processing applications for ratepayers as well as their capacity to make grant fund payments to business. In general terms, the feedback from local authorities consulted by the Scottish Government on the design of schemes did not raise concerns about their capacity to deliver, administer or resource these schemes. Rather, given the perceived (and indeed actual) emergency situation in Spring 2020, local authorities were not only able but fully committed to ensuring that businesses were supported through the restrictions.
40. Local authorities were already required by statute to administer NDR and did not indicate any issues with continuing to carry out their statutory functions by delivering the NDR Relief as well. The positive steps taken by the Scottish Government to satisfy itself that local authorities had appropriate resources and skills included regular, close contact with local authorities, direct questioning at the start of the design of the funds (over whether local authorities had the appropriate resources and skills to deliver the support) and an 'open door' policy to be notified of any emergent issues raised by stakeholders. Eligibility was consistently assessed across Scotland through regular contact between Scottish Government officials and local authorities and regular meetings held by the Institute of Revenues, Rating and Valuation.

Support for Businesses

41. The Scottish Government recognised that the economic effect of pandemic restrictions was no ordinary economic downturn. Many productive, profitable and sustainable businesses were required to temporarily close bringing immediate financial stress. There were reasonable concerns that the economic impact of NPIs would not be linear; they would grow more than proportionally according to the length of time the measures were in place. There was also concern about business resilience over time. This necessitated an economic policy response focusing on maintaining productive capacity, which in many cases meant supporting temporarily closed businesses.
42. The Cabinet Secretary for Finance (Kate Forbes) tasked officials with finding ways to support businesses by designing schemes to protect them from catastrophic failure. While there was no way to completely mitigate against economic harm, the aim was to protect businesses from permanent closure. Officials regularly engaged with businesses, sectoral trade bodies, trade unions, local government and business representative organisations. The Scottish Government usually sought to ensure that support in Scotland was at least equivalent to the support that a similar business would be able to access in England.
43. The UK Government, as the Inquiry has noted, introduced a number of key UK-wide loan and finance schemes to support businesses. The Scottish Government was not involved in the design or delivery of any of these schemes. In broad terms, the Scottish Government was, of course,

welcoming of these schemes, but would have found it helpful to have been consulted prior to their introduction. This was, in particular, in order to ensure that the schemes were designed to target a sufficient breadth of businesses. As will be seen, a great amount of the Scottish Government's efforts in this respect went to seeking to fill gaps identified in UK Government support.

44. There were over 130 Scottish Government business support funds that were in operation at various times during the pandemic. A full list can be found at INQ000268006. The total value of business support funding paid in 2020-2021 and 2021-2022 was over £4.73bn, of which £1.46bn was NDR Relief, £728m was sectoral funding and £2.54bn was local authority delivered funds. Some funds were highly targeted and modest in size, while others, like the SBG Fund and RHLG Fund, were broad and combined to pay out over £1bn in support. Some of the higher profile support schemes will be discussed below, in particular the Inquiry's identified 'key economic interventions'.

Phase 1 Funds – including NDR relief, Small Business Grant Fund, Retail Hospitality Leisure Grant Fund ('RHLG Fund'), Pivotal Enterprise Resilience Fund ('PER Fund')

45. An initial UK Government funding package of £30bn was announced on 11 March 2020. On 14 March, the Scottish Government announced how it intended to spend the consequential funding that would be received. On 16 March, the UK Government made an announcement concerning rates relief and the next day the initial funding package was increased to £330bn. This meant the Scottish Government's plans were almost immediately out of date. Though the added funding was appreciated, this pattern of change and uncertainty became a familiar and unfortunate refrain.
46. On 18 March 2020, Ms Forbes set out details of a similar package of NDR Relief from 1 April 2020, as the Scottish Government would receive consequentials of the same amount. This was seen as a way to deliver business support at scale and speed, for the reasons noted at §9 above.
47. There were two specific NDR Reliefs: a 1.6% universal NDR Relief which was automatically applied by local authorities to all non-domestic properties' rates bills; and a 100% relief for retail, hospitality, and leisure properties in Scotland. The universal (not targeted) 1.6% relief meant in practice that the poundage charged on properties remained the same as in 2019-20 and therefore the tax rate did not go up in 2020-21. This policy recognised the challenges potentially faced by all NDR payers as a result of NPIs. The 100% RHL relief was based on the equivalent relief in England which recognised that these were the sectors most likely to be directly affected by restrictions, but with some local variation. The RHL relief was expanded in September 2020 (with retrospective effect) to include soft play centres and amusement arcades following representations.
48. Also on 18 March 2020, the SBG Fund (£10,000 grants for small businesses in receipt of the Small Business Bonus Scheme or Rural relief) and RHLG Fund (£25,000 grants for RHL properties with a rateable value between £18,000 and £51,000) were announced. These schemes were initially based on the design of the English schemes, with some (often significant) variation. This design was mainly due to the speed at which restrictions took effect and the English support schemes were announced, but also because the consequential funding from the UK Government was as a result

of the design of the English schemes. There were also calls from business to act quickly in response and offer similar support in Scotland in the face of NPIs. Where variations were made, it was generally to ensure better targeting to those directly impacted by restrictions.

49. The PER Fund was established on 30 April 2020 to provide support to SMEs considered vital to the economy on a national or regional basis, to ensure productive capacity was retained. It ran to July 2020. Through the scheme, bespoke grants and wrap-around business support was provided to businesses that were key to local economies and Scotland more widely, because they were driving economic prosperity through wages, employment, exports, and supply chains, or were suppliers to Covid-19 vital services and other essential businesses. A total of £122m was paid out under the fund. A key eligibility criterion was that businesses would have been otherwise viable had it not been for the impact of the pandemic and associated restrictions. The need for these measures was evidenced by the difficulty that certain companies had accessing support, particularly SMEs. Value for money was considered in setting the eligibility criteria for the fund to ensure that grants delivered the wider economic benefit (jobs, supply chains, etc) of keeping businesses afloat. One issue with access to the support was caused by the initial surge in applications, which resulted in delays to these being processed and decisions being made more slowly than applicants had been led to expect. The scheme was temporarily closed to applications on 5 May 2020, to allow for the first influx of applications to be assessed and to manage demand on limited funding. It then subsequently re-opened until 18 May 2020. Payments were generally prompt after that initial surge.
50. In this Phase 1 timescale (broadly from March – October 2020), there were a variety of other funds introduced supporting, amongst others, the creative industries, the seafood industry, the arts, self-catering/B&Bs and animal welfare.

Phase 2 Funds – including the Strategic Framework Business Fund ('SFBF'), Local Authority Discretionary Fund ('LADF'), Local Authority Covid Economic Recovery Fund ('LACER Fund')

51. The introduction of the Strategic Framework at the end of October 2020 enabled a new approach to business support that would systematically link support to the application of the levels and the associated package of restrictions. These funds were designed and delivered by local government working with Scottish Government officials. The SFBF aimed to provide *inter alia* a grant of £2,000 or £3,000 (depending on rateable value) for businesses required to close by law, payable every four weeks for the duration protective measures were in place, and a hardship grant of £1,400 or £2,100 (depending on rateable value) for businesses that remained open but were specifically required to modify their operations by protective measures, payable every four weeks for the duration measures were in place. In March 2021, the First Minister announced that the SFBF payments for retail, hospitality and leisure would be replaced with a one-off restart grant to be paid in April 2021 to help businesses re-open progressively. On 19 April 2021, all eligible SFBF recipients automatically received a combined final transitional payment and one off restart grant.

52. The LADF, announced on 17 November 2020, was designed and developed in response to requests from local authorities for greater autonomy in how business support funding was spent in their area and gave local authorities wide discretion to support specific businesses impacted by Covid-19 restrictions. An initial £30m was made available to empower local authorities to direct financial support to businesses 'where they consider it to be necessary or justified' based on the needs of their local economies and business communities. It was intended to recognise the wide range of businesses that were experiencing disruption as a result of NPIs and the significant variation in the nature of these impacts by sector and geography. The LADF sought to address this variation by leveraging local authority's understanding of the business base in their area to develop packages of support that would enable them to target funding towards businesses in their area that were experiencing the most acute impacts or that played a particularly important role in their local economies. Although ultimately quite different, the LADF took inspiration from the concept of the English 'Additional Restrictions Grant' in terms of the potential for greater local authority discretion.
53. On 21 February 2022, the Scottish Government announced an £80m Local Authority Covid-19 Economy Recovery Fund ('LACER Fund') which provided additional financial support targeting communities, businesses and low-income households recovering from the pandemic and impacted by the cost-of-living crisis. It was distributed to local authorities through a standard allocation model that recognises population and geography. It provided flexibility for local authorities to decide how best to support economic recovery in their own areas. There was some light-touch reporting to Scottish Government on how the LACER Fund had been deployed, and opportunities for local authorities to share practice. In many cases this was an enhancement or addition to existing local authority programmes, rather than a stand-alone scheme funded solely through the LACER Fund.

Transport Schemes

54. The 'Bus Covid-19 Support Grant' ('BCSG') maintained National Concessionary Travel Scheme reimbursement and Bus Service Operator Grant payments at the levels forecast prior to the impact of Covid-19. All eligible operators had to continue to deliver around 30% of bus service levels for the period of the BCSG, and engage with relevant local authorities and health boards to determine which services should operate. The BCSG was paid up to and including 31 March 2022, and could be supplemented with additional funding through Covid-19 Support Grant-Restart ('BCSGR') to enable services to be extended as restrictions lifted.
55. BCSGR was introduced later. Operators were supported to provide services through £223m of emergency funding up to and including 31 March 2022. This funding ensured operators were able to run vital services through the pandemic, whilst also taking into account the rapidly rising costs of fuel, energy and staffing. BCSGR covered the gap between operating costs and anticipated loss of fare-paying passenger revenue that bus operators experienced due to physical distancing and reduced carrying capacity, and was available to support both fully commercial and local authority supported services. In addition, the 'Network Support Grant Plus' provided additional subsidy to the

core Network Support Grant between April 2022 and March 2023 as passengers returned to public transport. The subsidy was tapered off during the year. VisitScotland also administered a 'Scotland Coach Operators – COVID-19 Business Support and Continuity Fund' which provided £10m for key transport providers who were not eligible for other bus-related funds.

56. Economic support and payments during the pandemic made use of existing systems and teams with experience of delivering payments, ensuring that there were no added complexities, that there was an appropriate speed of delivery, and that support and payments were monitored well. Adjustments and cessation of support followed the easing of restrictions and recovery of patronage ensured that operators were able to run vital services throughout the pandemic.
57. The bus-related initiatives were proposed by Transport Scotland to provide additional support to public transport operators. The Scottish Government's role was for the approval and funding of these schemes. Many of the initiatives were only able to be approved for limited time periods such as calendar quarters due to the uncertainty of consequential funding that would be made available by the UK Government and impact of Covid-19 rules in place, such as length and extent of lockdowns. Assurance on likely consequential funding was gained by consideration of the similarity of interventions announced by Department for Transport, and estimating the funding that could be expected to accrue to the Scottish Government under the Barnett Formula. The Scottish Government considers that these interventions to support the transport sector were adequate and provided an appropriate balance of keeping services running and ensuring 'Value for Money'.
58. For rail and ferry services, much of the Covid-19 funding was provided through extensions of existing subsidy arrangements. Rail support was governed through Emergency Measures Agreements and Temporary Measure Agreements, which were temporary variations to the franchise contracts. These variations temporarily transferred revenue and cost risk to Scottish Ministers, varied certain performance benchmarks and suspended some contractual obligations. Ferries were similarly supported by way of contract variation schedules.

Effectiveness, efficacy, value, fraud/error and impact on vulnerable groups

59. The Scottish Government considers that local authority administered schemes were delivered effectively and at speed to reach a large number of businesses in a short amount of time. As noted above, the Scottish Government faced various constraints but sought as far as possible to 'plug the gaps' in business support provided by the UK Government. The Scottish Government does not consider that businesses were unduly excluded from support. It took steps to respond to sectors and businesses where unmet needs were highlighted. For example, collectively local authorities had spent £104.4m (87%) of the total funding allocated to them through the LADF. This tends to suggest that that there were few obvious gaps that it was necessary for local authorities to fill.
60. In terms of efficacy, the OCEA conducted an evaluation in September 2021. This concluded that support provided by the Scottish and UK Governments provided lifeline support to businesses during 'lockdown', helping most businesses survive to that point. However, the viability analysis shows that levels of support have not been sufficient to offset losses across many sectors, resulting

in some businesses closing, and some 'letting go' staff, in order to be able to cope with financial pressures resulting from the pandemic. It further considered that the support provided by the Scottish Government, which focussed on small businesses and sectors most impacted by lockdown, had provided complementary support to the CJRS, filling many gaps in UK Government Schemes and has had an 'additional' impact on business survival over and above the UK Government schemes. It noted that grant support appeared to have been a more popular means of support for businesses to cope with the impact of Covid-19 in the short- and longer term, although it recognised there was issues in the application for and processing of schemes.

61. Inherent in the need to design schemes at pace and make them administratively simple and low cost to deliver was a recognition that precision would not be possible. This raises some 'Value for Money' risk. The vast majority of the schemes (the PER Fund being an exception) worked on a flat rate cash grant with the level of the grant varying only in terms of broad categories such as two bands of rateable value. Because flat rates could not take into account the circumstances of any individual business, the cash grant might either be insignificant and therefore make almost no difference, be about right and improve the business position, or be more than was needed. Ministers understood that these schemes were blunt instruments but that a more precise assessment of hardship was just not possible in the circumstances. The grants were neither based on, nor intended to, cover operating costs or to replace lost revenue. Most were offered on the basis of alleviating hardship and improving, but not guaranteeing, the likelihood of survival.
62. The need to design and administer support at speed also meant that the Scottish Government had to accept a higher risk of fraud. There was a trade-off between speed and ease of administration, and the ability to make nuanced decisions about which businesses should be eligible and what support they should receive. The risk of fraud was mitigated through control mechanisms built into the design and delivery of these schemes, including most schemes being, or becoming, application-based, and having local authorities administer many of the grants. Local authorities could use their existing administrative capabilities, including fraud detection and prevention, and a well-established, robust existing NDR data set, and other information relevant to determine eligibility, to enable a large number of businesses to be paid quickly with appropriate checks in place.
63. The approach taken by the Scottish Government to the risk of fraud and error was, it is submitted, appropriate and proportionate. The design of the schemes built on the controls, systems and fraud prevention capabilities that were already in place. The initial assessment (from April 2021 data) that the overall level of fraud in Scottish Government schemes was likely to be 1-2% has been borne out by subsequent investigation. Audit Scotland stated, in January 2023, that this was "something of a success story", compared to the fraud issues which may be seen in the evidence elsewhere. Data on the levels of losses due to fraud within Covid-19 schemes was commissioned from local authorities and indicated that, as at May 2022, fraud losses were £3.5m or 0.25%, of which £540,000 or 15.5% was recovered. As at December 2024, the recorded fraud loss was £3.5m or 0.25% total spend, of which £597,450 or 17.6% was recovered.

64. In terms of alleviating hardship via business support, consideration was also explicitly given to the disproportionate nature and/or importance of some sectors to particular communities in Scotland, and particularly where there were fewer alternative economic or employment opportunities. This was part of the underpinning rationale for the seafood industry support schemes and was reflected in the criteria in the PER Fund. Similarly, there was early recognition that some of the most significantly affected sectors (tourism, hospitality and retail) were particularly important employers of young people, often representing their first experience of work, as well as for women and lower paid workers. Protecting these businesses and sectors through support schemes was therefore important in avoiding further detriment to these groups. The prospect of significant business failures and redundancies in these sectors was understood to create the conditions through unemployment for worsening inequality. Overall, the Scottish Government's view is that business support schemes had an important role in mitigating the risk of further widening of inequality but were not able to address the underlying structural inequality that predated the pandemic.
65. The approach taken by the Scottish Government was to combine short term action through direct business support, building on the support provided by the UK Government, with longer term economic strategy designed to set a course for an inclusive, green, wellbeing economy. In terms of action to address inequality, the design of business support schemes was a means to mitigate the risk that existing inequalities would widen as a result of the pandemic, and the longer term economic strategy as a means to tackle the pre-existing structural inequalities in the new context. This is a reasonable approach given the circumstances. It was enabled by the political commitment of Ministers and the extent to which Scottish Government analysis, policy and delivery systems had an understanding of inequality already built into them.

Support for Jobs and the Self-Employed

Coronavirus Job Retention Scheme (CJRS) & Self-Employment Income Support Scheme (SEISS)

66. The CJRS was a UK-wide, UK Government scheme, which, at the outset, meant that employees who were unable to work their usual hours continued to receive at least 80% of their usual earnings, up to £2,500 per month, funded wholly or partly by HMRC. This scheme was administered by HMRC through existing arrangements for income tax. The support available fluctuated as the scheme evolved. CJRS was announced on 20 March 2020 and closed on 30 September 2021. In Scotland, a total of 911,900 'employments' were on furlough during the course of the scheme. 80,800 employments were on furlough when the scheme closed, which was 3% of the total eligible. The term "employments" is used, as an individual could be furloughed from multiple jobs. SEISS was announced on 26 March 2020, and provided similar support as CJRS but for self-employed people. 175,000 self-employed individuals in Scotland made 628,000 claims totalling £1.7bn. This ran for a similar period of time to CJRS. Scottish Ministers had no policy control over these UK-wide schemes, but they provided a substantial foundation of support for jobs and businesses in Scotland.

The administration of CJRS on a UK-wide basis through existing arrangements for income tax meant that there was no scope for variation of the scheme on a geographical or sectoral basis.

Newly Self-Employed Hardship Fund ('NSEH Fund') and the Furlough Support Grant ('FSG')

67. The Scottish Government introduced its own “key economic interventions” to support jobs through schemes such as the NSEH Fund and FSG. The NSEH Fund was set up to provide hardship relief to newly self-employed individuals who lost revenue but were ineligible for SEISS because they had registered with HMRC as self-employed within the previous year. The fund was designed to ‘fill the gap’ left by the UK Government scheme. It linked to the overall objective of protecting businesses. The ‘self-employed’ is a diffuse group of individuals with no specific organisation tasked with representing their interests. For both rounds of the NSEH Fund, the Scottish Government adopted a multi-channel approach to raise awareness of the ability to apply.
68. During the first round of funding, the scheme provided a one-off £2,000 payment. Applications opened on 10 April 2020 and closed in July 2020. The first round paid out £11.3m. It was designed by the Scottish Government in partnership with local authorities and was implemented by those authorities, each one resourcing the applications process and making local decisions on funding. The second round opened for applications on 16 February 2021 with, following a one-week extension, a deadline of 23 March 2021. This round provided a one-off £4,000 payment for those who became self-employed between October 2018 and April 2020, and were either ineligible for SEISS, or received an award that did not reflect their income from self-employment. This round paid out £34.6m. This round was designed by the Scottish Government in partnership with COSLA, and implemented as a national scheme with its administration contracted out to UMi (a delivery company). Local authorities and UMi were responsible for monitoring and evaluating each round of the scheme. The main risk identified in both rounds was the possibility of fraudulent applications.
69. The key difference with round two of the fund was that eligibility was expanded to encompass those who had become self-employed since the start of the pandemic, and, based on feedback from round one, also extended to those whose income comprised 50% from self-employment and 50% from regular employment, as these groups were not eligible for SEISS. The decision to expand eligibility to include those who became self-employed after the start of the pandemic was made in recognition of the impact of NPIs on their ability to work, and the resulting financial challenges.
70. The strategic direction of the scheme was set by Ministers, with the design intent and outcomes developed by officials in conjunction with delivery partners. There was regular (often daily) review of delivery progress against strategic intent and funding allocation, course corrections, and handling of fraud risk, and appeals process. Round one was a new model of delivering support, utilising existing local authority staff and expertise, whilst round two was built on experience from round one.
71. The speed at which it was necessary to deliver funding to support jobs during the initial crisis stage of the pandemic prevented the Scottish Government from establishing a formal framework for assessing the Value for Money of individual funding schemes beyond the broad considerations set

out in the Scottish Public Finance Manual ('SPFM'). The priority was to design and implement a system to deliver emergency support to businesses to protect livelihoods and jobs, at pace.

72. Consideration was given to socially and economically vulnerable groups when designing the scheme, through Equality Impact Assessments ('EQIA'). The Scottish Government completed an EQIA on Scotland's Strategic Framework, which was used as an overarching EQIA for all business support grants given the pace at which emergency support was provided. Fund specific EQIAs were later published in March 2022. The OCEA's assessment for the NSEH Fund noted that the co-design of the scheme was highly successful as the local authorities had insight into the practical elements, benefit processes and deliverability, all of which helped to improve the reach and accessibility of the scheme for the economically vulnerable.
73. FSG was made available in five health board areas for businesses that had to close down due to increased restrictions between 9 and 31 October 2020. The grant's purpose was to help meet the cost of furloughing staff, by supporting the 20% employer's contribution that they were required to pay at that time under the CJRS, during a period when they had no corresponding business income. The scheme, a one-off grant, opened on 21 October 2020 and closed on 13 December 2020. The value of the grant was set at a fixed sum because HMRC was unable to verify individualised data on the required employer's contribution to CJRS. The value of the grants totalled £3.57m.
74. The fund was co-designed by the Scottish Government, COSLA and local authorities in the health board areas subject to the restrictions. It was implemented and administered by local authorities, who were responsible for monitoring and evaluating the scheme. It was funded from within the Covid-19 Restrictions Fund. Before the scheme opened, the period of eligibility was extended, from 25 to 31 October, to reflect the change in the period of restrictions. The initial award per business was £1,200, but this increased to £1,650 to cover the extended period until 31 October 2020.
75. FSG was targeted at a specific time period and designed to fill a gap created by the difference in restrictions between Scotland and the rest of the UK. The UK Government removed the mandatory CJRS 20% employer contribution from 1 November 2020 (as new restrictions came into force in England) and there was no longer a gap to be filled. FSG was an example of where the needs of economically and socially vulnerable groups were considered in fund design. It was designed to support employees within the businesses subject to closure requirements by helping to prevent against business failure and job losses. These businesses were primarily within the hospitality sector which employs a disproportionately high number of people from groups with protected characteristics, particularly young people, women and minority ethnic groups. These groups are also more likely to be socio-economically disadvantaged and less likely to have income reserves.

Alleviating Economic Hardship

76. The Scottish Government considers that the pandemic exposed the pre-existing vulnerabilities and shortcomings of the UK welfare system. Although the 'relevant period' was a time of considerable change in terms of the benefits system in Scotland (following the devolution of certain social security

matters under the Scotland Act 2016), this section will primarily address the additional steps taken and funds made available during the pandemic by the Scottish Government to alleviate hardship.

77. It is understood that uplifts to Universal Credit ('UC') and Working Tax Credit ('WTC'), as well as changes to Statutory Sick Pay ('SSP') are a matter of interest to the Inquiry. The Scottish Government was not consulted about the implementation of the UC/WTC uplifts, nor their removal. While uplifts were welcomed at the time, the Scottish Government did not consider them sufficient to provide the necessary support for those most in need. The Scottish Government wrote to UK Government counterparts six times in the run up to the UC/WTC uplifts being withdrawn on 6 October 2021, requesting that they be made permanent. They were not. In terms of SSP, the Inquiry has already heard evidence in Module 6 about the enhanced SSP extended to social care workers.
78. The Scottish Government highlights that the introduction of the Scottish Child Payment in February 2021 was, in its view, a very significant anti-poverty measure, which to some extent mitigated a situation that was made worse by the cessation of the UC and WTC uplifts. Scotland remains the only nation in the UK to make this payment in addition to other benefits.
79. In respect of Long Covid, the Scottish Government has provided financial support to those who were suffering from its effects. Adult Disability Payment, which provides financial support to recognise the additional costs of being disabled or living with a long-term health condition, may be available to Long Covid sufferers depending on their individual circumstances. So too income replacement benefits such as Employment and Support Allowance and UC, though these are reserved to the UK, while eligibility for and delivery of Industrial Injuries Disablement Benefit is also a UK Government responsibility, prior to the delivery of Employment Injury Assistance in Scotland.
80. On 18 March 2020, the Cabinet Secretary for Communities and Local Government (Aileen Campbell) set out a £350m package of resources to support the third sector, communities, and vulnerable individuals. The main aims were to ensure that: (i) people facing financial hardship as a result of the economic impact of social distancing and self-isolation measures had access to direct financial help, (ii) local authorities had additional resource to provide the support needed for their localities, (iii) charities, third sector and social enterprises were supported to meet new demand caused by the pandemic, (iv) support was given to community organisations to provide local level solutions and community led resilience, and (v) measures were put in place to combat food insecurity as a result of Covid-19. The £350m was allocated as follows:
 - a. £50m of Barnett Consequentials were allocated to a Hardship Fund given directly to local government, to give some flexibility to determine best local use to support community need;
 - b. £45m was allocated to the Scottish Welfare Fund ('SWF'), doubling its available budget. The fund made Community Care Grants and Crisis Grants available to those in immediate need. Self Isolation Support Grant ('SISG') was also introduced to SWF in October 2020. SISG provided over £78.8m of financial support to around 152,000 low-income workers and their families. SWF was administered by local authorities, who again were given more flexibility about how it could be used to ensure people in financial crisis, including 'gig economy' workers, could be supported.

To obtain a Crisis Grant an individual must be on a low income and have no access to alternative appropriate financial support. In 2020-21 there was a significant increase on the awards made on the previous year. Community Care Grants help support people in particular situations to live independently, e.g., those fleeing domestic abuse, leaving prison, transitioning to or from a care setting etc. These grants also saw an increase during the pandemic. Both grants were in line with the Scottish Government's approach to tackling poverty, in that they were decided upon swiftly, sought to get money to people's pockets and helped prevent an escalation in crises;

- c. £50m was allotted for increased costs of a council tax reduction scheme and need for benefits;
- d. £70m was allocated to a "Food Fund" to ensure support was in place for people whose access to food had been affected by Covid-19, including shielded groups, others who were having to self-isolate (including older people), and families entitled to free school meals. Local authorities had the flexibility to use this additional resource to best meet local needs and circumstances, working with community groups and businesses to support home delivery, provide financial help and meet dietary requirements. A 'cash-first' approach was encouraged to ensure that those who could get to the shops had the money they needed to buy food and other essentials;
- e. £50m was used to establish a Wellbeing Fund for third sector partners who had the capacity to respond directly and quickly to emerging needs of at-risk people. This included funding to help projects deliver mental health support and wellbeing services for people that were, for example, feeling isolated as a result of the pandemic. This fund enabled people who were unable to leave the house to get support, e.g. with their shopping or collecting prescriptions etc. By the end of September 2020, £4m had been made available through small grants to support local charities, £2m provided a 25% funding boost to all 32 Third Sector Interfaces ('TSIs') and £10m was allocated to support national priorities, including support to 70 Scottish charitable organisations;
- f. £40m was used to establish a Communities Fund to support local community effort and local community groups. Funds were made available to 'Community Anchor Organisations', enabling money to reach smaller community organisations and mutual aid groups who were an essential part of the response but might not otherwise have been able to access funding. The Scottish Government worked with national partners and a wide range of community networks including TSIs and COSLA to ensure that the fund reached communities in need across the country;
- g. £20m was used to set up a Third Sector Resilience Fund ('TSRF') to support the impact of the pandemic on third sector organisations based, or primarily delivering services/activities, in Scotland and to help ensure the health and continued viability of such organisations. TSRF was administered by FirstPort, Social Investment Scotland and the Corra Foundation. By the end of September 2020, this investment had helped save organisations that had a collective turnover of approximately £0.51bn, safeguarding 14,000 jobs. A Scottish Government evaluation of the TSRF published in August 2023 concluded that the fund had a far-reaching impact on a large and diverse range of third sector organisations. The TSRF was later followed by a 'Community and Third Sector Recovery Programme' as the pandemic response transitioned to recovery;

- h. £25m was earmarked for flexibility to enable responses to other emerging challenges. For example, an additional £5m from this contingency went into topping up the TSRF.
81. The Scottish Government commissioned reports from external experts in the summer of 2020 about economic recovery and the post-pandemic economy. Firstly, the Advisory Group on Economic Recovery produced "Towards a Robust, Resilient Wellbeing Economy for Scotland", which highlighted themes of inequality, education, unemployment, and regional disparities. The report was welcome and a commitment made to implementing its recommendations. Secondly, a sub-group of the Enterprise and Skills Strategic Board published, "Coronavirus (COVID 19): measures to mitigate the labour market impacts". This identified the likely disproportionate effect on young people, women and vulnerable groups including disabled and BAME people of the economic fallout from Covid-19. Ministers welcomed the report and broadly endorsed its recommendations.
82. In light of the concerns highlighted around the disproportionate impact on young people, the First Minister commissioned a short life group to work on developing an implementation plan for a Scottish job guarantee for young people. From this, the Young Person's Guarantee was launched in November 2020. In November 2020, the Scottish Government made £60m available to support new and enhanced opportunities, with a further £70m investment in 2021-22. The central commitment was to guarantee every young person aged between 16 and 24 in Scotland the opportunity, based on their own personal circumstances and ambitions, of a job, apprenticeship, further or higher education, training programme or volunteering. A hallmark of the programme was leadership from employers and collaboration between public, private and third sector partners.
83. The Scottish Government considers that it took appropriate steps, given the financial constraints, and other constraints noted above, it was operating within, to alleviate hardship during the pandemic, particularly for vulnerable or disproportionately affected groups.

Conclusion

84. We trust that this Opening Statement has been of assistance in understanding the position of the Scottish Government on some of the main pillars of its economic response. While we have dealt exclusively with economic hardships, the Scottish Government does not forget, and acknowledges, the many forms of suffering experienced by the people of Scotland during the pandemic.

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